

# FY 2009-10 BUDGET

## BUDGET SECTION SUMMARY

Section Title:

SANITATION ZONE - PENNGROVE

### A. Program Description

This budget finances the maintenance, construction, debt service, and administration of a collection system and pumping station which serves the Penngrove area. Raw sewage is pumped to the City of Petaluma for treatment and disposal. These services are provided by Petaluma pursuant to an agreement between the two entities. The City of Petaluma charges the Penngrove Sanitation Zone (SZ) for treatment on the basis of Equivalent Single Family Dwellings (ESDs).

### B. Financial Summary

Section	GROSS EXPENDITURES			NET COST/USE OF FUND BALANCE		
	FY 08-09 Adopted	FY 09-10 Requested	Percent Change	FY 08-09 Adopted	FY 09-10 Requested	Percent Change
Operations	\$580,000	\$615,000	6.03%	(\$71,214)	\$119,840	(268.28%)
Bonds	6,477	5,927	(8.49%)	(8,941)	(10,268)	14.84%
Construction	520,000	0	(100.00%)	512,000	(5,075)	(100.99%)
<b>TOTAL:</b>	<b>\$1,106,477</b>	<b>\$620,927</b>	<b>(43.88%)</b>	<b>\$431,845</b>	<b>\$104,497</b>	<b>(75.80%)</b>

### C. Staffing Summary

No staffing is allocated to this index.

### D. Workload Summary

Workload Indicator	FY 07-08 Actual	FY 08-09 Budget Estimate	FY 08-09 Revised Estimate	FY 09-10 Projected	Change from FY 08-09 Budget Estimate
Total ESDs	510	510	512	514	0.78%
Total APNs	406	406	406	406	0.00%

### E. Summary of Issues and Significant Changes

Agency operations in the Penngrove Sanitation Zone (Penngrove SZ) are limited to administrative services and operation/maintenance of the collection system and pumping station. The wastewater collected by the Penngrove SZ collection system flows through the Petaluma collection system to the Petaluma wastewater treatment plant. Wastewater generated by the Penngrove SZ and Petaluma is treated to meet secondary standards at Petaluma's treatment plant.

Petaluma has constructed a new wastewater treatment plant that meets advanced (tertiary) wastewater treatment standards. The project has resulted in significant increases in the annual service charge over the past several years and will be increasing 13% per year through 2011. The City of Petaluma has approved rate increases that total almost 100% for financing of the new wastewater treatment plant.

The proposed FY 09-10 annual sewer service charges for Penngrove SZ is \$969 per equivalent single family dwelling, which represents an \$80 or 9.0% increase over FY 08-09. This increase is attributable to Petaluma's significant increases to the commercial sewer rate. It may be noted that future rate increases for the Penngrove SZ may have to closely mirror the projected increases by the City of Petaluma.

Connection fees continue to be collected for the future expansion of the collection system and part of Penngrove's share of the cost to upgrade and expand the City of Petaluma's wastewater treatment and reclamation facilities.

For the past several years, the Penngrove SZ has been using its fund balance to reduce rate increases associated with increased treatment costs being charged by Petaluma. This has significantly reduced operating reserve. Rates will need to be increased over the next several years at rates over inflation to restore the financial reserves and for increased treatment costs. Until these reserves are restored to prudent levels, the Zone will not be able to fund capital replacement projects.

**F. Summary of Reduction Options**

No reduction options are proposed.

**G. Attachments**

- Summary of Revenues and Expenditures
- Character Justification
- Statement of Special Fund Activity

**FY 2009-10 BUDGET**  
**SUMMARY OF REVENUES AND EXPENDITURES**

Section Title: **SANITATION ZONE - PENNGROVE - OPERATIONS**

Section/Index No: **680108**

Sub-Object No. and Title	Adopted 2008-09	Requested 2009-10	Difference	Percent Change
<b>REVENUES:</b>				
<b><u>TAXES</u></b>				
1001 Flat Charges - CY	\$437,352	\$480,508	\$43,156	9.87%
1061 Flat Charges - PY	2,500	3,000	500	20.00%
1120 Penalties/Costs on Taxes	250	400	150	60.00%
<b>Subtotal Taxes</b>	<b>\$440,102</b>	<b>\$483,908</b>	<b>\$43,806</b>	<b>9.95%</b>
<b><u>USE OF MONEY</u></b>				
1700 Interest on Pooled Cash	\$4,000	\$3,500	(\$500)	(12.50%)
<b>Subtotal Use of Money</b>	<b>\$4,000</b>	<b>\$3,500</b>	<b>(\$500)</b>	<b>(12.50%)</b>
<b><u>CHARGES FOR SERVICES</u></b>				
3400 Sanitation Services	\$7,112	\$7,752	\$640	9.00%
<b>Subtotal Charges for Services</b>	<b>\$7,112</b>	<b>\$7,752</b>	<b>\$640</b>	<b>9.00%</b>
<b><u>OTHER FINANCING SOURCES</u></b>				
4625 OT - W/in Special Dist - BOS	\$200,000	\$0	(\$200,000)	(100.00%)
<b>Subtotal Other Financing Sources</b>	<b>\$200,000</b>	<b>\$0</b>	<b>(\$200,000)</b>	<b>(100.00%)</b>
<b>TOTAL REVENUES</b>	<b>\$651,214</b>	<b>\$495,160</b>	<b>(\$156,054)</b>	<b>(23.96%)</b>

**EXPENDITURES:**

<b><u>SERVICES AND SUPPLIES</u></b>				
6040 Communications	\$500	\$500	\$0	0.00%
6140 Maintenance - Equipment	5,000	5,000	0	0.00%
6180 Maintenance - Bldgs / Impr	20,000	10,000	(10,000)	(50.00%)
6522 District Services	5,000	5,000	0	0.00%
6523 District Operations	89,000	60,000	(29,000)	(32.58%)
6570 Consultant Services	3,000	0	(3,000)	(100.00%)
6573 Administration Costs	3,500	4,000	500	14.29%
6610 Legal Services	1,000	1,000	0	0.00%
6629 Fiscal Accounting Services	3,500	4,000	500	14.29%

**FY 2009-10 BUDGET**  
**SUMMARY OF REVENUES AND EXPENDITURES**

Sub-Object No. and Title	Adopted 2008-09	Requested 2009-10	Difference	Percent Change
<b><u>SERVICES AND SUPPLIES (cont'd)</u></b>				
7000 Special Departmental Exp	352,000	400,000	48,000	13.64%
7206 Equipment Usage Charge	5,000	5,000	0	0.00%
7217 State Permits / Fees	1,000	2,000	1,000	100.00%
7247 Water Conservation	0	36,000	36,000	N/A
7320 Utilities	7,500	500	(7,000)	(93.33%)
7394 Power	0	7,000	7,000	N/A
<b>Subtotal Services and Supplies</b>	<b>\$496,000</b>	<b>\$540,000</b>	<b>\$44,000</b>	<b>8.87%</b>
<b><u>OTHER CHARGES</u></b>				
7980 Depreciation	\$76,000	\$70,000	(\$6,000)	(7.89%)
<b>Subtotal Other Charges</b>	<b>\$76,000</b>	<b>\$70,000</b>	<b>(\$6,000)</b>	<b>(7.89%)</b>
<b><u>OTHER FINANCING USES</u></b>				
8625 OT - W/in Special Dist - BOS	\$0	\$0	\$0	N/A
<b>Subtotal Other Financing Uses</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b><u>APPROPRIATIONS FOR CONT</u></b>				
9000 Appropriations for Contingencies	\$8,000	\$5,000	(\$3,000)	(37.50%)
<b>Subtotal Appropriations for Contin.</b>	<b>\$8,000</b>	<b>\$5,000</b>	<b>(\$3,000)</b>	<b>(37.50%)</b>
<b>TOTAL EXPENDITURES</b>	<b>\$580,000</b>	<b>\$615,000</b>	<b>\$35,000</b>	<b>6.03%</b>
<b>TOTAL NET COST</b>				
<b>(Expenditures Minus Revenues)</b>				
	<b>(\$71,214)</b>	<b>\$119,840</b>	<b>\$191,054</b>	<b>(268.28%)</b>

**FY 2009-10 BUDGET**  
**CHARACTER JUSTIFICATION**

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Sanitation Zone - Penngrove - Operations

Character Title: Taxes

Character No.: 680108-10

**1001 Flat Charges - CY**

Flat charge revenue from annual service charges is expected to increase from the adopted FY 08-09 budget. The rate will increase 9.0%, from \$889 to \$969.

ESDs times annual rate:	506	x	\$969	\$490,314
Less Estimated Delinquency Factor:	2%			(9,806)
				<hr/> \$480,508

(See SubObject 3400 for Total ESDs)

**1061 Flat Charges - PY**

This item records the estimated delinquent amount of prior years sewer service charges.

**1120 Penalties / Costs on Taxes**

This item records penalties paid on delinquent sewer service charges.

Character Title: Use of Money

Character No.: 680108-17

**1700 Interest on Pooled Cash**

This account records interest on pooled cash held for the Zone by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$200,000
Projected Interest Rate	1.75%
Projected/Planned Interest on Pooled Cash	<hr/> \$3,500

Character Title: Charges for Services

Character No.: 680108-30

**3400 Sanitation Services**

This account records annual sewer service charges for entities that are invoiced, rather than collected as flat charges on the tax roll, and for new hook-ups as they occur during the year. The Sanitation Rate Ordinance requires that charges be collected at the time permits are issued. The properties are then added to the tax roll master listing and collected through sub-object 1001, Flat Charges-CY, in the following year.

Based on projected FY 09-10 ESDs, the Zone will experience an increase in revenue from invoiced entities. The budgeted revenue reflects an increase in the annual sewer service charge from \$889 to \$969.

ESDs x Annual Charge	8	x	\$969	=	\$7,752
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**6040 Communications**

This account records expenses paid by the Zone for outside communication and wireless services.

**6140 Maintenance - Equipment**

This account records the costs for routine maintenance of equipment.

**6180 Maintenance - Bldgs / Impr**

This account records the cost of parts and materials required to maintain the collection system. The requested amount will cover work such as repair or replacement of certain manholes and pumps, as well as reconfiguration of some of the collection system plumbing in order to handle increased flows coming into the pump station.

**6522 District Services**

This accounts records the service and supply type items associated with operations and maintenance of the Zone's facilities.

**6523 District Operations**

This account records the cost of labor and overhead associated with operations and maintenance of the Zone's facilities.

**6570 Consultant Services**

No funds will be budgeted for Consultant Services for FY 09/10.

**6573 Administration Costs**

This account represents the 3% administration fee assessed by the County for processing collection of flat charges on the tax roll.

**6610 Legal Services**

This item is requested to provide funds for the estimated cost of legal services to be provided by County Counsel, or outside legal services, as required.

**6629 Fiscal Accounting Services**

This item records the direct charge for services provided by the Fiscal Services Section of the County Auditor Controller's Office for staff costs attributed to Zone's accounting.

**7000 Special Departmental Expense**

The Penngrove Sanitation Zone does not have a sewer treatment plant. Rather, the Zone has an agreement with the City of Petaluma to accept and treat sewage. The amount requested for the forthcoming year reflects the current year budget consistent with planned rate increases by the City of Petaluma to fund the design and construction of a new treatment plant that meets advanced wastewater treatment (AWT) standards.

**7206 Equipment Usage Charges**

This item is requested to provide funds for equipment usage.

**Character Title:** Services and Supplies (Continued)

**Character No.:** 680108-60

**7217 State Permits / Fees**

This account records the cost of District permits related to NPDES, as mandated by the Regional Water Quality Control Board.

**7247 Water Conservation**

These funds will be used to implement a Water Conservation Program in the zone.

**7320 Utilities**

This account records the cost of payments made for utilities such as water.

**7294 Power**

This account records the cost of payments made for utilities such as gas and electricity.

**Character Title:** Other Charges

**Character No.:** 680108-75

**7980 Depreciation**

Generally Accepted Accounting Principles require that depreciation be expensed each year.

**Character Title:** Other Financing Uses

**Character No.:** 680108-86

**8625 OT - W/in Special Dist - BOS**

This account reflects the transfer of cash from the Operations Fund to the Construction Fund to finance the Capital Replacement Program. If the Operations Fund does not have sufficient cash available to finance planned capital projects, the transfer will not be made and any uncompleted projects will be rescheduled and rebudgeted in the next fiscal year. No operating transfer will be budgeted for FY 09-10.

**Character Title:** Appropriations for Contingencies

**Character No.:** 680108-90

**9000 Appropriations for Contingencies**

This account provides funding for unanticipated expenditures or revenue shortfalls.

**FY 2009-10 BUDGET**  
**STATEMENT OF SPECIAL FUND ACTIVITY**

**Department:** Sonoma County Water Agency - Sanitation  
**Section:** Sanitation Zone - Penngrove - Operations  
**Index No.:** 680108

DESCRIPTION OF FUND ACTIVITY	Actual FY 07-08	Estimated FY 08-09	Requested FY 09-10
<b>Undesignated/Unreserved <u>BEGINNING</u> Fund Balance Available for Budgeting</b> (See Detailed Components Below)	<b>\$124,517</b>	<b>\$86,570</b>	<b>\$262,417</b>
<b>Annual Revenues and Expenditures:</b>			
Revenues - Increase fund balance	432,058	658,263	495,160
Expenditures - (Decrease) fund balance	(500,418)	(522,830)	(615,000)
<b>Net Surplus or Deficit</b> - Increase/(Decrease) to fund balance	<b>(\$68,360)</b>	<b>135,433</b>	<b>(119,840)</b>
<b>Adjustments to Reserves/Encumbrances:</b>			
7980 - Depreciation	35,414	35,414	70,000
Change in Encumbrance	(5,000)	5,000	-
<b>Net Adjustment</b> - Increase/(Decrease) to Fund Balance	<b>30,414</b>	<b>40,414</b>	<b>70,000</b>
<b>Undesignated/Unreserved <u>ENDING</u> Fund Balance Available for Budgeting</b>	<b>\$86,570</b>	<b>\$262,417</b>	<b>\$212,577</b>
<b>Total Increase/(Decrease) in Fund Balance for Fiscal Year</b> (Difference between Beginning and Ending Balance)	<b>(\$37,947)</b>	<b>\$175,847</b>	<b>(\$49,840)</b>
<b><u>Fund Balance Components at Beginning of FY</u></b>	<b>7/1/07</b>	<b>7/1/08</b>	
Cash	\$261,925	\$220,084	
Other Receivables	8,197	32,242	
Accounts Payable	(145,605)	(160,756)	
Encumbrance	-	(5,000)	
<b>Total Beginning Fund Balance</b>	<b>\$124,517</b>	<b>\$86,570</b>	



**FY 2009-10 BUDGET**  
**SUMMARY OF REVENUES AND EXPENDITURES**

Section Title: **SANITATION ZONE - PENNGROVE - BONDS**  
Section/Index No: **680207**

Sub-Object No. and Title	Adopted 2008-09	Requested 2009-10	Difference	Percent Change
<b>REVENUES:</b>				
<b><u>TAXES</u></b>				
1000 Prop Taxes - CY Secured	\$14,000	\$14,845	\$845	6.04%
1020 Prop Taxes - CY Supplemental	500	500	0	0.00%
1040 Prop Taxes - CY Unsecured	500	500	0	0.00%
<b>Subtotal Taxes</b>	<b>\$15,000</b>	<b>\$15,845</b>	<b>\$845</b>	<b>5.63%</b>
<b><u>USE OF MONEY</u></b>				
1700 Interest on Pooled Cash	\$68	\$0	(\$68)	(100.00%)
<b>Subtotal Use of Money</b>	<b>\$68</b>	<b>\$0</b>	<b>(\$68)</b>	<b>(100.00%)</b>
<b><u>INTERGOVERNMENTAL REVENUES</u></b>				
2440 St - HOPTR	\$350	\$350	\$0	0.00%
<b>Subtotal Intergovernmental Revenues</b>	<b>\$350</b>	<b>\$350</b>	<b>\$0</b>	<b>0.00%</b>
<b>TOTAL REVENUES</b>	<b>\$15,418</b>	<b>\$16,195</b>	<b>\$777</b>	<b>5.04%</b>
<b>EXPENDITURES:</b>				
<b><u>SERVICES AND SUPPLIES</u></b>				
6635 Fiscal Agent Fees	\$52	\$52	\$0	0.00%
<b>Subtotal Services and Supplies</b>	<b>\$52</b>	<b>\$52</b>	<b>\$0</b>	<b>0.00%</b>
<b><u>OTHER CHARGES</u></b>				
7920 Interest	\$6,425	\$5,875	(\$550)	(8.56%)
<b>Subtotal Other Charges</b>	<b>\$6,425</b>	<b>\$5,875</b>	<b>(\$550)</b>	<b>(8.56%)</b>
<b><u>ADMINISTRATIVE CONTROL ACCOUNT</u></b>				
9200 Ent - Principal	\$11,000	\$11,000	\$0	0.00%
9209 Ent - Principal Clearing	(11,000)	(11,000)	0	0.00%
<b>Subtotal Administrative Control</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>TOTAL EXPENDITURES</b>	<b>\$6,477</b>	<b>\$5,927</b>	<b>(\$550)</b>	<b>(8.49%)</b>
<b>TOTAL NET COST</b> (Expenditures Minus Revenues)	<b>(\$8,941)</b>	<b>(\$10,268)</b>	<b>(\$1,327)</b>	<b>14.84%</b>

# FY 2009-10 BUDGET

## CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation  
Section Title: Sanitation Zone - Penngrove - Bonds

Character Title: Taxes

Character No.: 680207-10

### ***1000 Prop Taxes - CY Secured***

The Auditor-Controller establishes a tax rate sufficient to accumulate tax revenues necessary to make bond payments of interest and principal. The bonds were passed to fund construction of sewage facilities.

### ***1020 Prop Taxes - CY Supplemental***

The amount requested for property tax revenue is based on prior year actuals and current year estimates from the Auditor-Controller's office.

### ***1040 Prop Taxes - CY Unsecured***

The amount requested for property tax revenue is based on prior year actuals and current year estimates from the Auditor-Controller's office.

### **Note:**

The FY 09-10 bond payment amount (principal and interest) is \$16,875. To avoid major fluctuations in the tax rate from year to year, the tax amount budgeted and/or collected each year may not correspond exactly to the annual bond payment (P&I). Over or under collection in any single year (when compared to the bond payment for that year) merely increases or decreases the fund balance retained in this index. The Auditor's long term tax rate calculations are designed to ensure that debt service obligations are met, while retaining an appropriate level of fund balance, and minimizing unnecessary tax rate fluctuations.

Character Title: Use of Money

Character No.: 680207-17

### ***1700 Interest on Pooled Cash***

This account records interest on pooled cash held for the Zone by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$0
Projected Interest Rate	<u>1.75%</u>
Projected/Planned Interest on Pooled Cash	\$0

Character Title: Services and Supplies

Character No.: 680207-60

**6635 Fiscal Agent Fees**

This account records the fee collected by the County Treasurer for acting as the fiscal agent.

Character Title: Other Charges

Character No.: 680207-75

**7920 Interest**

This account reflects the interest expense on the outstanding general obligation bonds. The interest rate is 5%. Payments began March 1, 1978 and will continue semi-annually until September 1, 2017. The request for the forthcoming year is based on the bond amortization schedule prepared at the time the bonds were sold.

Character Title: Administrative Control

Character No.: 680207-92

**9200 Ent - Principal**

This account reflects the principal expense for general obligation bonds that were issued in 1977 to finance the local share of a wastewater collection system. Payments on the bonds will continue until September 1, 2017. The FY 09-10 request is based on the bond amortization schedule prepared at the time the bonds were sold.

The following reflects the bond principal payment history to date:

Original Amount of the General Obligation Bond Issue:	\$300,000
Total FY 77-78 through FY 07-08 Principal Payments:	(166,000)
FY 08-09 Principal Payment:	<u>(11,000)</u>
Outstanding Bond Amount	\$123,000

**9209 Ent - Principal Clearing**

This is the clearing account for sub-object 9200, Ent - Principal.

**FY 2009-10 BUDGET**  
**STATEMENT OF SPECIAL FUND ACTIVITY**

Department: Sonoma County Water Agency - Sanitation  
Section: Sanitation Zone - Penngrove - Bonds  
Index No.: 680207

DESCRIPTION OF FUND ACTIVITY	Actual FY 07-08	Estimated FY 08-09	Requested FY 09-10
Undesignated/Unreserved BEGINNING Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$4,331	\$2,606	\$108
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	16,108	14,979	16,195
Expenditures - (Decrease) fund balance	(6,833)	(6,477)	(5,927)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	9,275	8,502	10,268
Adjustments to Reserves/Encumbrances:			
9200 - Enterprise Principal	(10,000)	(11,000)	(11,000)
Change in Matured Bonds Payable	(1,000)	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	(11,000)	(11,000)	(11,000)
Undesignated/Unreserved ENDING Fund Balance			
Available for Budgeting	\$2,606	\$108	(\$624)
Total Increase/(Decrease) in Fund Balance for Fiscal Year (Difference between Beginning and Ending Balance)	(\$1,725)	(\$2,498)	(\$732)
<b><u>Fund Balance Components at Beginning of FY</u></b>	<b><u>7/1/07</u></b>	<b><u>7/1/08</u></b>	
Cash	\$16,731	\$15,839	
Matured Bonds Payable	(10,000)	(11,000)	
Interest Payable	(2,400)	(2,233)	
Total Beginning Fund Balance	\$4,331	\$2,606	

**FY 2009-10 BUDGET**  
**SUMMARY OF REVENUES AND EXPENDITURES**

Section Title: **SANITATION ZONE - PENNGROVE - CONSTRUCTION**  
Section/Index No: **680306**

Sub-Object No. and Title	Adopted 2008-09	Requested 2009-10	Difference	Percent Change
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**REVENUES:**

**USE OF MONEY**

1700 Interest on Pooled Cash	\$8,000	\$5,075	(\$2,925)	(36.56%)
<b>Subtotal Use of Money</b>	<b>\$8,000</b>	<b>\$5,075</b>	<b>(\$2,925)</b>	<b>(36.56%)</b>

**OTHER FINANCING SOURCES**

4625 OT - W/in Special Dist - BOS	\$0	\$0	\$0	N/A
<b>Subtotal Other Financing Sources</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>

<b>TOTAL REVENUES</b>	<b>\$8,000</b>	<b>\$5,075</b>	<b>(\$2,925)</b>	<b>(36.56%)</b>
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**EXPENDITURES:**

**FIXED ASSETS**

8510 Buildings / Improvements	\$0	\$0	\$0	N/A
9142 Capital Replacement Program	320,000	0	(320,000)	(100.00%)
<b>Subtotal Fixed Assets</b>	<b>\$320,000</b>	<b>\$0</b>	<b>(\$320,000)</b>	<b>(100.00%)</b>

**OTHER FINANCING USES**

8625 OT - W/in Special Dist - BOS	\$200,000	\$0	(\$200,000)	(100.00%)
<b>Subtotal Other Financing Uses</b>	<b>\$200,000</b>	<b>\$0</b>	<b>(\$200,000)</b>	<b>(100.00%)</b>

<b>TOTAL EXPENDITURES</b>	<b>\$520,000</b>	<b>\$0</b>	<b>(\$520,000)</b>	<b>(100.00%)</b>
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<b>TOTAL NET COST</b>	<b>\$512,000</b>	<b>(\$5,075)</b>	<b>(\$517,075)</b>	<b>(100.99%)</b>
<i>(Expenditures Minus Revenues)</i>				

**FY 2009-10 BUDGET  
CHARACTER JUSTIFICATION**

Department - Division: Sonoma County Water Agency - Sanitation  
Section Title: Sanitation Zone - Penngrove - Construction

Character Title: Use of Money

Character No.: 680306-17

**1700 Interest on Pooled Cash**

This account records interest on pooled cash held for the Zone by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$290,000
Projected Interest Rate	<u>1.75%</u>
Projected/Planned Interest on Pooled Cash	\$5,075

Character Title: Other Financing Sources

Character No.: 680306-46

**4625 OT - W/in Special Dist - BOS**

This account reflects the transfer of cash from the Operations Fund to the Construction Fund to finance the capital replacement program. If the Operations Fund does not have sufficient cash available to finance planned capital projects, the transfer will not be made and any uncompleted projects will be rescheduled and rebudgeted in the next fiscal year. No operating transfer will be budgeted for FY 09-10.

Character Title: Fixed Assets

Character No.: 680306-85

**8510 Buildings / Improvements**

This account reflects funds for treatment plant upgrade. No funds will be budgeted for FY 09-10.

**9142 Capital Replacement Program**

This account is typically used for sewer rehabilitation projects. There are no projects planned for the forthcoming year.

**FY 2009-10 BUDGET**  
**STATEMENT OF SPECIAL FUND ACTIVITY**

Department: Sonoma County Water Agency - Sanitation  
 Section: Sanitation Zone - Penngrove - Construction  
 Index No.: 680306

DESCRIPTION OF FUND ACTIVITY	Actual FY 07-08	Estimated FY 08-09	Requested FY 09-10
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$806,697	\$788,982	\$294,036
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	42,347	25,054	5,075
Expenditures - (Decrease) fund balance	(54,100)	(520,000)	-
<b>Net Surplus or Deficit - Increase/(Decrease) to fund balance</b>	<b>(11,753)</b>	<b>(494,946)</b>	<b>5,075</b>
Adjustments to Reserves/Encumbrances:			
Capitalized Interest	(6,783)	-	-
PY CIP Reclass	820		
<b>Net Adjustment - Increase/(Decrease) to Fund Balance</b>	<b>(5,963)</b>	<b>-</b>	<b>-</b>
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$788,982	\$294,036	\$299,111
<b>Total Increase/(Decrease) in Fund Balance for Fiscal Year</b> <i>(Difference between Beginning and Ending Balance)</i>	<b>(\$17,715)</b>	<b>(\$494,946)</b>	<b>\$5,075</b>
<u>Fund Balance Components at Beginning of FY</u>	<u>7/1/07</u>	<u>7/1/08</u>	
Cash	\$806,697	\$788,982	
<b>Total Beginning Fund Balance</b>	<b>\$806,697</b>	<b>\$788,982</b>	